

Etha

DECLASS REVIEW by NIMA/DOD

3 March 1960

STATOTHR

2340 "E" Street
Washington 25, D. C.

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Confirming discussions held during your recent visit to our Los Angeles facility relative to the costs of furnishing maintenance services to your equipment, we are pleased to submit for your evaluation an itemized breakdown of the overhead and G&A expense rates which were included in our quotation of 26 January 1960. This quotation was based upon furnishing a factory trained Field Engineer for a one-year period commencing upon award of contract to be available on a full time basis during normal working hours for maintenance of equipment installed at your Washington, D. C., facility.

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With respect to materials required for maintenance of your equipment, it is our recommendation that a fixed amount of approximately [REDACTED] be allocated for establishing a stock of replacement and spare parts. During the initial stages of the maintenance program our Field Engineer will compile a list of maintenance materials to be kept on hand at your facility which, with the approval of your procurement office, will be furnished at our standard list prices. In connection with this, it should be noted that we will bill only for those materials actually supplied on a monthly basis as they are shipped.

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Regarding the overhead rate included in our quotation, we wish to note that the overhead expenses incurred for the Field Engineering Department for the nine-month period ending 31 December 1959 was [REDACTED]. This amount was adjusted to recognize certain expenses which would not be applicable to furnishing a full time Field Engineer at your facility.

We trust this will provide you with sufficient information and will enable us to be of service to you.

Sincerely,

[REDACTED]

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WEB:hb
cc: [REDACTED]

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